

ORIGINAL

OPEN MEETING ITEM



0000088476

COMMISSIONERS
MIKE GLEASON - Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
KRISTIN K. MAYES
GARY PIERCE



BRIAN C. McNEIL
Executive Director

ARIZONA CORPORATION COMMISSION

DATE: SEPTEMBER 8, 2008

DOCKET NOS: W-01445A-05-0701

TO ALL PARTIES:

Enclosed please find the recommendation of Administrative Law Judge Yvette B. Kinsey. The recommendation has been filed in the form of an Order on:

ARIZONA WATER COMPANY
(EXTENSION OF TIME DEADLINE
CONTAINED IN DECISION NO. 68919)

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Administrative Law Judge by filing an original and ten (10) copies of the exceptions with the Commission's Docket Control at the address listed below by **4:00** p.m. on or before:

SEPTEMBER 17, 2008

The enclosed is NOT an order of the Commission, but a recommendation of the Administrative Law Judge to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Working Session and Open Meeting to be held on:

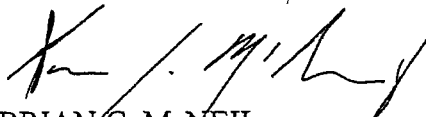
SEPTEMBER 23, 2008 AND SEPTEMBER 24, 2008

For more information, you may contact Docket Control at (602)542-3477 or the Hearing Division at (602)542-4250. For information about the Open Meeting, contact the Executive Director's Office at (602) 542-3931.

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DOCKET CONTROL
AZ CORP COMMISSION

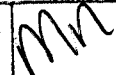
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BRIAN C. McNEIL
EXECUTIVE DIRECTOR

Arizona Corporation Commission
DOCKETED

SEP - 8 2008

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1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 COMMISSIONERS

3 MIKE GLEASON - Chairman
4 WILLIAM A. MUNDELL
JEFF HATCH-MILLER
5 KRISTIN K. MAYES
6 GARY PIERCE

7 IN THE MATTER OF THE APPLICATION OF
ARIZONA WATER COMPANY FOR AN
8 EXTENSION OF ITS CERTIFICATE OF
CONVENIENCE AND NECESSITY.

DOCKET NO. W-01445A-05-0701

DECISION NO. _____

9 **ORDER EXTENDING TIME**
10 **DEADLINE CONTAINED IN**
DECISION NO. 68919

11 Open Meeting
12 September 23 and 24, 2008
13 Phoenix, Arizona

14 **BY THE COMMISSION:**

15 **FINDINGS OF FACT**

16 1. On October 4, 2005, Arizona Water Company ("AWC" or "Applicant"), filed with the
17 Arizona Corporation Commission ("Commission") an application for an extension of its Certificate
18 of Convenience and Necessity ("Certificate" or "CC&N") to provide water service within its
19 Superstition System, in Pinal County, Arizona. AWC's application further stated that it had received
20 a request to provide water service from Ecco Holdings, LLC ("Ecco"), which owns all of the property
21 in the requested extension area.

22 2. On August 29, 2006, the Commission issued Decision No. 68919 approving the
23 application of AWC. Decision No. 68919, ordered AWC to file the following compliance items:

- 24 1. AWC shall file with Docket Control, as a compliance item in this docket, a
25 Notice of Filing indicating AWC has submitted for Staff's review and approval, a
26 copy of the fully executed main extension agreements for water facilities for the
27 extension area within two years of a Decision in this matter.
28 2. AWC shall file with Docket Control, as a compliance item in this docket, a copy
of the Arizona Department of Environmental Quality ("ADEQ") Approval to

1 Construct ("ATC") for facilities needed to serve the extension area within two
2 years of the effective date of this Decision.

- 3 3. AWC shall file with Docket Control, as a compliance item in this docket, a copy
4 of the developer's Certificate of Assured Water Supply ("CAWS"), where
5 applicable or when required by statute within two years of the effective date of
6 this Decision.

7 3. On June 27, 2008, AWC filed a Request for Additional Time to Comply ("Request")
8 with the Filing Requirement in Decision No. 68919. AWC requested an extension of time until
9 August, 29, 2010, to comply with the Decision. In support of the Request, AWC submitted a letter
10 from the developer, Ecco, which states that the "current plans include beginning development within
11 24 months if market conditions do not worsen." The developer's letter also expressed a continuing
12 desire to have AWC provide water service in the extension area.

13 5. On August 6, 2008, Staff filed a memorandum stating that Staff has no objection to
14 Arizona Water's request for additional time, until August 29, 2010, to comply with the requirements
15 outlined in Decision 68919. Staff's memorandum also stated that Staff contacted Mr. Eric E.
16 Capranica, of Ecco Holdings, LLC, and confirmed that the extension of time is necessary due to the
17 slow marketplace and due to Pinal County's backlog in processing approvals for water facilities.
18 Although Staff does not object to AWC's request for an extension of time, Staff recommends that no
19 further time extensions be granted in this matter.

20 6. AWC made a timely request to extend the compliance deadlines set forth in Decision
21 No. 68919. AWC submitted a letter from the developer which expressed a continuing need for
22 service and an intent to develop. Therefore, we find that AWC's request for an extension of time is
23 reasonable and should be granted.

24 7. Further, although we are not adopting Staff's recommendation that no further time
25 extensions should be granted for AWC to comply with Commission Decision No. 68919, we will put
26 AWC on notice that any further requests for extensions of time to comply must demonstrate that
27 extraordinary circumstances exist that warrant additional time.
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CONCLUSIONS OF LAW

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3 1. Arizona Water Company is a public service corporation within the meaning of Article
4 XV of the Arizona Constitution and A.R.S. §§40-281 and 40-282.

5 2. The Commission has jurisdiction over Arizona Water Company and the subject matter
6 of the Request for Additional Time to Comply with Commission Decision No. 68919.

7 3. Staff's recommendation that AWC should receive an extension of time to comply with
8 Decision No. 68919 is reasonable and should be adopted.

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ORDER

IT IS THEREFORE ORDERED that Arizona Water Company's Request for an Extension of Time to Comply, until August 29, 2010, with the compliance items stated in Finding of Fact 2, and as outlined in with Commission Decision No. 68919, is hereby granted.

IT IS FURTHER ORDERED that no additional extensions of time shall be granted regarding this matter absent extraordinary circumstances.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

CHAIRMAN

COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive Director of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this _____ day of _____, 2008.

BRIAN C. McNEIL
EXECUTIVE DIRECTOR

DISSENT _____

DISSENT _____

YBK:db

1 SERVICE LIST FOR: ARIZONA WATER COMPANY

2 DOCKET NOS. W-01445A-05-0701

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